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STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

AUG 22 2012

INDIANA UTILITY  
REGULATORY COMMISSION

PETITION OF THE CITY OF PETERSBURG )  
FOR APPROVAL OF RATE AND CHARGE )  
DIFFERENCE BETWEEN PROPERTY )  
WITHIN AND PROPERTY OUTSIDE THE )  
CORPORATE BOUNDARIES OF PETERSBURG )

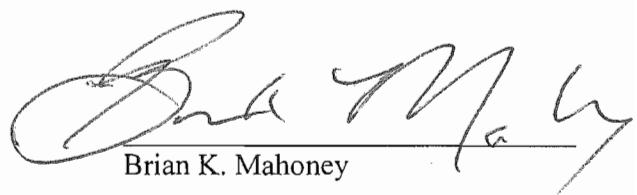
CAUSE NO. \_\_\_\_\_

Pursuant to Indiana Code §8-1.5-3-8.3(c), Petitioner, the City of Petersburg, Indiana (“Petersburg”), by counsel, respectfully petitions the Indiana Utility Regulatory Commission (“Commission”) for approval of the rate and charge difference between property within and property outside the corporate boundaries of the City of Petersburg. In support of its Petition, Petitioner states:

1. The ordinance setting rates and charges for property within and property outside the municipality’s corporate boundaries took effect on December 5, 2011 for the Municipal Sewage Works.
2. Attached as “Exhibit A” is a copy of the ordinance.
3. The works that is the subject of the ordinance is (select one):
  - a. Water utility works \_\_\_\_\_
  - b. Wastewater utility works  \_\_\_\_\_
  - c. Both water and wastewater utility works \_\_\_\_\_
4. The percentage difference between the rates and charges imposed on users of the works for service to property located outside the corporate boundaries of the municipality and to property located within the corporate boundaries is 25%.

5. Brian K. Mahoney, Attorney at Law, P.O. Box 176, 822 Main Street, Petersburg, Indiana, 46041, is counsel of record for Petitioner in this matter and is duly authorized to accept service of papers in this cause on behalf of the Petitioner.

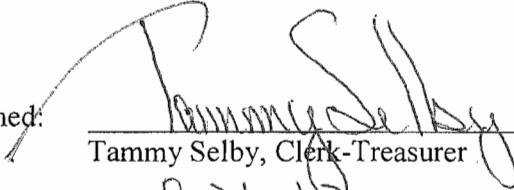
WHEREFORE, The City of Petersburg, Indiana, requests that the Commission issue an Order approving the percentage rate and charge difference between property within and property outside the corporate boundaries of the City of Petersburg and for other just and reasonable relief.



Brian K. Mahoney

**Verification**

I, Tammy Selby, Clerk-Treasurer, affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.

Signed:   
\_\_\_\_\_  
Tammy Selby, Clerk-Treasurer

Date: 8-21-12

Mr. Brian K. Mahoney  
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P.O. Box 176  
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Petersburg, IN 47567-0176  
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**PETERSBURG (INDIANA) MUNICIPAL SEWAGE WORKS**

**EXHIBIT A**

ORDINANCE NO. 2011-13

AN ORDINANCE ESTABLISHING A SCHEDULE OF RATES AND CHARGES COLLECTED BY THE CITY OF PETERSBURG, INDIANA FROM THE OWNERS OF PROPERTY SERVED BY THE SEWAGE WORKS OF SAID CITY, AMENDING ORDINANCE 2005-6, AND OTHER MATTERS CONNECTED THEREWITH.

WHEREAS, the City has heretofore constructed and has in operation sewage works for the purpose of collecting and disposing of the sewage of the City in a sanitary manner; and

WHEREAS, it is necessary to establish a new schedule of rates and charges so as to produce sufficient revenue to pay expenses of operation and maintenance, and to provide funds for necessary replacements and improvements to the sewage works and to pay the principal and interest on outstanding bonds in accordance with the applicable bond ordinance; now therefore

BE IT ORDAINED BY THE Common Council of the City of Petersburg, Indiana;

**Section 1.** Unless the context specifically indicates otherwise, the meaning of the terms used in this ordinance shall be as follows:

- (a) "Board" shall mean the Common Council of the City of Petersburg, Indiana, or any duly authorized officials acting on its behalf.
- (b) "BOD" (or Biochemical Oxygen Demand) shall have the same meaning as defined in the Use Ordinance.
- (c) "City" shall mean the City of Petersburg, Indiana, acting by and through the Common Council.
- (d) "Debt service costs" shall mean the average annual principal and interest payments on all outstanding revenue bonds or other long-term capital debt.
- (e) "Excessive Strength Surcharges" shall mean an additional charge which is billed to users for treating sewage wastes with an average strength in excess of "normal domestic sewage".
- (f) "Industrial Wastes" shall mean the wastewater discharges from industrial, trade or business processes as distinct from employee wastes or wastes from sanitary conveniences.
- (g) "NPDES (National Pollutant Discharge Elimination System) Permit" shall have the same meaning as defined in the Sewer Use Ordinance.

(h) "Normal Domestic Sewage" (for the purpose of determining surcharges) shall mean wastewater or sewage having an average daily concentration as follows:

BOD not more than 250 mg/l  
S.S. not more than 250 mg/l

As defined by origin, wastewaters from segregated domestic and/or sanitary conveniences as distinct from wastes from industrial processes.

(I) "Operation and Maintenance Costs" include all costs, direct and indirect, necessary to provide adequate wastewater collection, transport and treatment on a continuing basis and produce discharges to receiving waters that conform with all related Federal, State and local requirements. (These costs include replacement.)

(j) "Other Service Charges" shall mean tap charges, connection charges, area charges, and other identifiable charges, other than User Charges, debt service charges and excessive strength surcharges.

(k) "Person" shall mean any and all persons, natural or artificial, including any individual, firm, company, municipal or private corporation, association, society, institution, enterprise, governmental agency or other entity.

(l) "Replacement Costs" shall mean the expenditures for obtaining and installing equipment, accessories or appurtenances which are necessary during the useful life of treatment works to maintain the capacity and performance for which such works were designed and constructed.

(m) "S.S." (or suspended solids) shall have the same meaning as defined in the Sewer Use Ordinance.

(n) "Shall" is mandatory; "May" is permissive.

(o) "Sewage" shall have the same meaning as defined in the Sewer Use Ordinance.

(p) "Sewer Use Ordinance" shall mean a separate and companion enactment to this Ordinance, which regulates the connection to and use of public and private sewers.

(q) "User Charge" shall mean a charge levied on users of the wastewater treatment works for the cost of operation and maintenance of such works pursuant to Section 204(b) of Public Law 92-500.

(r) "User Class" shall mean the division of wastewater treatment customers by source, function, waste characteristics, and process or discharge similarities (i.e., residential, commercial, industrial, institutional, and governmental in the User Charge System).

Residential User - shall mean a user of the treatment works whose premises or building is used primarily as a residence for one or more persons, including all dwelling units, etc. .

Commercial User - shall mean any establishment involved in a commercial enterprise, business or service which, based on a determination by the City discharges primarily segregated domestic wastes or wastes from sanitary conveniences.

Institutional User - shall mean any establishment involved in a social, charitable, religious, and/or educational function which, based on a determination by the City, discharges primarily segregated domestic wastes or wastes from sanitary conveniences.

Governmental User - shall mean any Federal, State, or local governmental user of the wastewater treatment works.

Industrial User - shall mean any manufacturing or processing facility that discharges industrial waste to a publicly owned treatment works.

**Section 2.** Every person whose premises are served by said sewage works shall be charged for the services provided. These charges are established for each user class, as defined, in order that the sewage works shall recover, from each user and user class, revenue which is proportional to its use of the treatment works in terms of volume and load. User charges are levied to defray the cost of operation and maintenance (including replacement) of the treatment works. User charges shall be uniform in magnitude within a user class.

(a) User charges are subject to the rules and regulations adopted by the United States Environmental Protection Agency, published in the Federal Register September 27, 1978 (re CFR 44022). Replacement costs, which are recovered through the system of user charges, shall be based upon the expected service life of the sewage works equipment.

(b) The various classes of users of the treatment works for the purposes of this Ordinance, shall be as follows:

Class 1. Residential

Class 2. Commercial

Class 3. Governmental/institutional

Class 4. Industrial

**Section 3.** For the use of and the service rendered by said sewage works, rates and charges shall be collected from the owners of each and every lot, parcel of real estate or building that is connected with the City's sanitary system or otherwise discharges sanitary sewage, industrial wastes, water or other liquids, either directly or indirectly, into the sanitary sewerage system of the City of Petersburg. Such rates and charges include User Charges, debt

service costs, excessive strength surcharges and other service charges, which rates and charges shall be payable as hereinafter provided and shall be in an amount determinable as follows:

(a) The sewage rates and charges shall be based on the quantity of water used on or in the property or premises subject to such rates and charges, as the same is measured by the water meter there in use, plus a base charge, except as herein otherwise provided. For the purpose of billing and collecting the charges for sewage service, the water meters shall be read monthly (or period equaling a month). The water usage schedule on which the amount of said rates and charges shall be determined is as follows:

(A) Monthly Base Rate:		Rates
5/8	inch meter	\$17.59
3/4	inch meter	23.31
1	inch meter	38.99
1 1/4	inch meter	60.09
1 1/2	inch meter	85.73
2	inch meter	145.08
3	inch meter	329.39
4	inch meter	584.50
6	inch meter	1,307.43
8	inch meter	2,327.84

(B) Monthly Flow Charge:

Treatment rate per 1,000 gallons	
usage per month, new rate	\$6.33

(b) Unmetered Water Users:

For users of the sewage works that are unmetered water users or accurate meter readings are not available, the monthly charge shall be determined as an average of single family dwelling units (5,000 gallons per month), except as herein provided. Sewage service bills shall be rendered once each month (or period equaling a month). The rate shall include a base rate as listed above plus an estimated treatment charge as outlined on the schedule of rates and charges as follows:

Unmetered Water Users (Per Month):

Residential:

Single family residence/unit new rate	\$49.24
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Unmetered non "Residential Single Family Dwelling Units" shall be charged a rate to be determined by the City on an individual basis by applying the above metered rates to estimated usage and meter size.

(c) All property owners, ratepayers, and other interested parties residing outside the corporate boundaries of the City of Petersburg, served or to be served, by the sewage works of the City of Petersburg, shall be subject to all provisions, and the rate schedules, established by this ordinance. A twenty-five percent (25%) surcharge shall be applied to the rates for those users outside the corporate boundaries of the City

(d) For the service rendered to the City of Petersburg, said City shall be subject to the same rates and charges hereinabove provided, or to charges and rates established in harmony therewith.

(e) In order to recover the cost of monitoring industrial wastes the City shall charge the user the actual cost of monitoring. This charge will be reviewed and revised on the same basis as all other rates and charges in this ordinance.

**Section 4.** The quantity of water discharged into the sanitary sewerage system and obtained from sources other than the utility that serves the City shall be determined by the City in such manner as the City shall reasonably elect, and the sewage service shall be billed at the above appropriate rates; except, as is hereinafter provided in this section. The City may make proper allowances in determining the sewage bill for quantities of water shown on the records to be consumed, but which are also shown to the satisfaction of the City that such quantities do not enter the sanitary sewerage system.

(a) In the event a lot, parcel of real estate or building discharges sanitary sewage, industrial wastes, water or other liquids into the City sanitary sewerage system, either directly or indirectly, is not a user of water supplied by the water utility serving the City and the water used thereon or therein is not measured by a water meter, or is measured by a water meter not acceptable to the City then the amount of water used shall be otherwise measured or determined by the City. In order to ascertain the rate or charge provided in this ordinance, the owner or other interested party shall at his expense, install and maintain meters, weirs, volumetric measuring devices or any adequate and approved method of measurement acceptable to the City for determining of sewage discharge.

(b) In the event a lot, parcel of real estate or building discharging sanitary sewage, industrial wastes, water or other liquids in the City's sanitary sewerage system, either directly or indirectly, is a user of water supplied by the water utility serving the City, and in addition, is a user of water from another source which is not measured by a water meter or is measured by a meter not acceptable to the City, then the amount of water used shall be otherwise measured or determined by the City. In order to ascertain the rates or charges, the owner or other interested parties shall, at his expense, install and maintain meters, weirs, volumetric measuring devices or any adequate and approved

method of measurement acceptable to the City for the determination of sewage discharge.

(c) In the event two or more residential lots, parcels of real estate, or buildings discharging sanitary sewage, water or other liquids into the City's sanitary sewerage system, either directly or indirectly, are users of water and the quantity of water is measured by a single water meter, then in each such case, for billing purposes, the quantity of water used shall be averaged for each user and the base charge and the flow rates and charges, and minimum charge, shall apply to each of the number of residential lots, parcels of real estate or building served through the single water meter.

(d) In the event a lot, parcel of real estate or building discharges sanitary sewage, industrial waste, water or oilier liquids into the City's sanitary sewerage system either directly or indirectly, and uses water in excess of 10,000 gallons per month, and it can be shown to the satisfaction of the City that a portion of water as measured by the water meter or meters does not and cannot enter the sanitary sewage system, then the owner or other interested party shall, at his expense, install and maintain meters, weirs, volumetric measuring devices or any adequate and approved method of measurement acceptable to the City for the determination of sewage discharge.

(e) Where a metered water supply is used for fire protection as well as for other uses, the City may, in its discretion, make adjustments in the user charge as may be equitable.

**Section 5.** In order that the rates and charges may reflect the costs of providing service rendered to users, the City shall base its charges not only on the volume, but also the strength and character of the stronger-than-normal domestic sewage and wastes which it is required to treat and dispose of. The City shall require the user to determine the strength and content of all sewage and wastes discharged, either directly or indirectly into the sanitary sewage system, in such manner and by such method as the City may deem practicable in order to determine the proper charge. The user shall furnish a central sampling point available to the City at all times.

(a) Normal sewage domestic waste strength should not exceed a biochemical oxygen demand of 250 milligrams per liter of fluid, suspended solids in excess of 250 milligrams per liter of fluid. Additional charges for treating stronger-than-normal domestic waste shall be made on the following basis:

(1)	Rate Surcharge
Based Upon Suspended Solids	

There shall be an additional charge of 14 cents per pound of suspended solids for suspended solids received in excess of 250 milligrams per liter of fluid.

(2)	Rate Surcharge
Based Upon BOD	

There shall be an additional charge of 14 cents per pound of biochemical oxygen demand for BOD received in excess of 250 milligrams per liter of fluid.

(b) The determination of Suspended Solids, Five-day Biochemical Oxygen Demand and Ammonia Nitrogen contained in the waste shall be in accordance with the latest copy of "Standard Methods for the Examination of Water, Sewage and Industrial Wastes", as written by the American Public Health Association, the American Water Works Association and the Water Pollution Control Federation, and in conformance with "Guidelines Establishing Test Procedures for Analysis of Pollutants," Regulation CFR Part 136, published in the Federal Register on October 16, 1973.

#### **Section 6.**

Such rates and charges shall be prepared, billed and collected by the City in the manner provided by law and ordinance.

(a) The rates and charges for all users shall be prepared and billed monthly.

(b) The rates and charges may be billed to the tenant or tenants occupying the properties served, unless otherwise requested in writing by the owner, but such billing shall in no way relieve the owner from the liability in the event payment is not made as herein required. The owners of properties served, which are occupied by a tenant or tenants, shall have the right to examine the collection records of the City for the purpose of determining whether bills have been paid by such tenant or tenants, provided that such examination shall be made at the office at which said records are kept during the hours that such office is open for business.

(c) As is provided by statute, all rates and charges not paid when due are hereby declared to be delinquent and a penalty of ten percent (10%) of the amount of the rates or charges shall thereupon attach thereto. The time at which such rates or charges shall be paid is now fixed at fifteen (15) days after the date of mailing of the bill.

#### **Section 7.**

In order that the rates and charges for sewage services may remain fair and equitable and be in proportion to the cost of providing services to the various users or user classes, the City shall cause a study to be made within a reasonable period of time following the first 2 years of operation, following the date on which this ordinance goes into effect. Such study shall include, but not be limited to, an analysis of the costs associated with the treatment of excessive strength effluents from industrial users, volume and delivery flow rate characteristics attributed to the various users or user classes, the financial position of the sewage works and the adequacy of its revenue to provide reasonable funds for the operation and maintenance, replacements, debt service requirements and capital improvements to the waste treatment systems. Thereafter, on a biennial basis, within a reasonable period of time following the

normal accounting period, the City shall cause a study to be made for the purpose of reviewing (a) the sufficiency of the revenues to properly operate the wastewater treatment facility and all appurtenances attached thereto; (b) maintaining proportionality among the user classes of the rates and charges for sewerage services.

Said studies shall be conducted by officers or employees of the City, or by a firm of certified public accountants, or a firm of consulting engineers which firms shall have experience in such studies, or by such combination of officers, employees, certified public accountants, or engineers as the City shall determine to be best under the circumstances.

**Section 8.** The City shall make and enforce such by-laws and regulations as may be deemed necessary for the safe, economical and efficient management of the City's sewerage system, pumping stations and sewage treatment works, for the construction and use of house sewers and connections to the sewerage system, and for the regulation, collection, rebating and refunding of such rates and charges. No free service shall be provided to any user of the waste- water treatment facility.

The City is hereby authorized to prohibit dumping of wastes into the City's sewage system which, in its discretion, are deemed harmful to the operation of the sewage treatment works of the City or to require methods affecting pretreatment of said wastes to comply with the pretreatment standards included in the National Pollution Discharge Elimination System (NPDES) permit issued to the sewage works.

**Section 9.** The invalidity of any section, clause, sentence, or provision of this ordinance shall not affect the validity of any other part of this ordinance which can be given effect without such invalid part or parts.

**Section 10.** The Council is hereby further authorized to enter into special rate contracts with customers of the sewage works where clearly definable cost to the sewage works can be determined, and such special rates shall be based on such costs.

**Section 11.** That the rules and regulations promulgated by the City, after approval of the City Council shall, among other things, provide for an appeal procedure whereby a user shall have the right to appeal a decision of the Administrator of the user charge to the Common Council and that any decision concerning user charges of the Common Council may be appealed to a Court of competent jurisdiction under the Appeal Procedures provided for in the Indiana Administrative Adjudication Act.

**Section 12.** The new rates shall be effective for the first full billing cycle after passage of this ordinance.

DULY PASSED

AND ADOPTED by the Common Council of the City of  
Petersburg, Indiana, on the 5<sup>th</sup> day of  
December, 2011.

Yes

No

Fran Lewis  
Greg L. Leonard  
Tammy Johnson  
Bertie Burkhardt  
John McEachern  
John C.

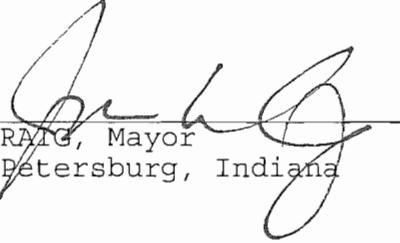
JON W. CRAIG, Mayor  
Presiding Officer

TAMMY SELBY  
City Clerk-Treasurer

This ordinance was presented by me to the Mayor of the City  
of Petersburg, Indiana on the 5<sup>th</sup> day of  
December, 2011, at  
7:30 o'clock P. M.

TAMMY SELBY  
City Clerk-Treasurer

This ordinance was approved by me, the Mayor of the City of  
Petersburg, Indiana, on the 5<sup>th</sup> day of  
December, 2011, at 7:30 o'clock P. M.



JON W. CRAIG, Mayor  
City of Petersburg, Indiana

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